

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

South Valley Station
Yerington, Nevada 89447
(Leslie West and Lisa Smith,
Petitioners)

Docket No. A2012-108

COMMENTS OF UNITED STATES POSTAL SERVICE
(February 21, 2012)

By means of Order No. 1147 (January 19, 2012), the Postal Regulatory Commission (Commission) docketed correspondence from two customers of South Valley Station in Yerington, Nevada (Petitioner Leslie West and Petitioner Lisa Smith), assigning PRC Docket No. A2012-108 as an appeal pursuant to 39 U.S.C. § 404(d).¹

I. The Commission Lacks Jurisdiction over the Controversy.

As an initial matter, the Postal Service renews the arguments that the Commission lacks jurisdiction to hear Petitioner's appeal.² This appeal concerns a station, and not a Post Office for purposes of 39 U.S.C. § 404(d). Section 404(d) does not apply to retail locations such as branches which are subordinate to a Post Office. In the Postal Service's view, Congress knowingly used "Post

¹ On December 28, 2011, the Commission received from Petitioner Leslie West a petition for review concerning the discontinuance of the South Valley Station, Yerington, Nevada. On January 10, 2012, the Commission received another petition for review concerning the discontinuance of the South Valley Station from Lisa Smith. Petitioner West and Petitioner Smith filed Participant Statements on January 31, 2012. In addition, the Commission received a Notice of Intervention from Phyllis Longero on January 18, 2012, and a letter from Donna J. Stillfield on February 14, 2012.

² Initial Comments of the United States Postal Service, section 1 (pp. 2-7), PRC Docket No. RM2011-13, October 3, 2011.

Office” in its technical sense, thereby excluding stations and branches from the scope of 39 U.S.C. § 404(d).³

II. Customers Will Not Lose Access to Postal Services Due to the Proximity of Nearby Retail Units.

In addition to the Postal Service’s position summarized above, as the Postal Service stated in its notice filed on January 30, 2012 in this docket, the procedural requirements of 39 U.S.C. § 404(d) do not apply here because the discontinuance of South Valley Station does not qualify as a closure envisioned by 39 U.S.C. § 404(d).⁴ As the Commission recognized in Docket No. A2010-3 that concerned the East Elko Station, section 404(d) procedural requirements apply only where postal customers lose access to postal services. In Docket No. A2010-3, the Commission stated that postal customers do not lose access to postal services offered in their community where alternate retail facilities are located in “close proximity” to the discontinued station. The Commission considered “the close proximity of the Elko Main Post Office” and the availability of the same services at the Elko Main Post Office “to be a chief justification for closing the East Elko Station,” and concluded that “the procedural requirements of section 404(d) do not apply.” See Order No. 477, PRC Docket No. A2010-3 (June 22, 2010) at 7-8. In this case, as stated in the Final Determination to Close the South Valley Station, NV Station and Continue to Provide Service by Near By Post Office (“Final Determination” or “FD”), affected customers will not lose access to postal services because they may obtain services from the Yerington

³ See United States Postal Service Notice, PRC Docket No. A2012-108, January 30, 2012, at 1-2.

⁴ See *id.* at 2-3.

Post Office, located within one mile of the South Valley Station,⁵ and from a stamps consignment site at a Wells Fargo Bank, located less than half a mile from South Valley Station.⁶ Because of the close proximity of the Yerington Post Office and the presence of a nearby expanded access option, as well as the availability of postal services through the Postal Service's public website, the discontinuance of South Valley Station will not cause postal customers to lose access to postal services. Consequently, the Postal Service submits that section 404(d) procedures do not apply on this separate basis.

Furthermore, the availability of the same services at the nearby Yerington Post Office could serve as a separate basis for dismissal. The discontinuance of the South Valley Station is "part of a rearrangement of retail facilities" in the Yerington area. As the Commission recently stated in its Order Dismissing Appeal in PRC Docket No. A2011-90, "[t]he Commission has consistently held that the requirements of section 404(d) do not apply to such rearrangements."⁷ Accordingly, the Commission should dismiss this appeal on this separate basis.

III. The Postal Service Gave Customers Advance Notice of Its Plans.

Even assuming the section 404(d) requirements were applied in the context of the discontinuance of South Valley Station, the Postal Service satisfied the salient provisions of section 404(d)(4). On May 27, 2011, the Postal Service

⁵ See Item No. 47, Final Determination to Close the South Valley Station, NV Station and Continue to Provide Service by Near by Post Office (FD), at 2, 7; Item No. 18, Post Office Fact Sheet; Item No. 21, Cover Letter and Questionnaire, at 1; Item No. 33, Proposal to Close the South Valley Station, NV Station and Continue to Provide Service by Independent Post Office ("Proposal"), at 2. In these comments, specific items in the administrative record, other than the FD, are referred to as "Item ____."

⁶ See Exhibit 1 (printout from "Find Locations" on www.usps.com).

⁷ Order No. 1159, Order Dismissing Appeal, PRC Docket No. A2011-90, January 20, 2012, at 12.

distributed a letter to delivery customers of the South Valley Station stating that discontinuance of the South Valley Station was under consideration. The letter included a questionnaire and invited comments on the potential change to the postal retail network.⁸ The Postal Service also made the questionnaire available over the counter for retail customers at the South Valley Station.⁹ Through this notification, the Postal Service furnished customers with well over 60 days' notice of the Postal Service's intention to consider discontinuance of the facility. The Postal Service received 524 customer responses to the questionnaires.¹⁰ In addition, representatives from the Postal Service were available at Lyon County Library for a community meeting on June 22, 2011, to answer questions and provide information to customers. FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis. The Final Determination was posted at the South Valley Station and the Yerington Post Office starting December 9, 2011, as confirmed by the round-dated Final Determination cover sheets that appear at the end of Item No. 47 in the administrative record. In addition, as discussed below, the Postal Service considered all of the pertinent criteria of section 404(d), including the effect on postal services, the community, and employees, and the economic savings arising from the discontinuance.¹¹

IV. The Final Determination Shows Thoughtful Consideration of the Issues Raised by Petitioners

⁸ See FD, at 2; Item No. 20, Questionnaire Instruction Letter to Postmaster/OIC; Item No. 21, Cover Letter and Questionnaire, at 1.

⁹ FD, at 2; Item, No. 20, Questionnaire Instruction Letter to Postmaster.

¹⁰ FD, at 2; Item No. 23, Questionnaire Analysis, at 1; Proposal, at 2.

¹¹ See FD.

The FD indicates that the South Valley Station provides service to 186 Post Office Box or general delivery customers “from 08:00 – 16:30 Monday – Friday” and has “lobby hours of 24 on Monday – Friday and 24 on Saturday.” Daily retail window transactions averaged 103, according for 133 minutes of retail workload daily.¹² Office receipts for the last three years were: \$604,158 (1,675 revenue units) in FY2008, \$533,683 (1,392 revenue units) in FY2009, and \$517,746 (1,350 revenue units) in FY2010. The South Valley Station has no permit customers.¹³ Upon implementation of the FD, the Postal Service will provide delivery and retail service by independent Post Office under the administrative responsibility of the Yerington Post Office, located one mile away.¹⁴ Below, the Postal Service briefly addresses the issues raised by Petitioners West and Smith, and Phyllis Longero and Donna Stillfield in this docket.

Petitioner West and Petitioner Smith, as well as Ms. Longero and Ms. Stillfield, express concern about the effect on postal services of the discontinuance of South Valley Station, noting the convenience of the South Valley Station and requesting its retention. In their filings, they raise the following issues: the convenience of South Valley Station; that South Valley Station is more accessible than Yerington Post Office; that South Valley Station has more parking; and whether the Yerington Post Office can provide adequate service. These issues were thoughtfully considered by the Postal Service, as is evident in the administrative record.

¹² FD at 2; Item No. 18, Fact Sheet; Proposal, at 2.

¹³ FD at 2, Item No. 18, Fact Sheet; Proposal, at 2.

¹⁴ FD, at 2; Item No. 21, Cover Letter and Questionnaire, at 1; Proposal, at 2

Concerning the convenience of the South Valley Station, the Postal Service explained that delivery and retail services from the Yerington Post Office should provide the customers of the South Valley Station area sufficient alternatives for their delivery and retail needs. FD; Item No. 21, Cover Letter and Questionnaire, at 1; Item No. 23, Questionnaire Analysis; Proposal.

With respect to concerns expressed about the ease of access to the Yerington Post Office, especially for disabled customers and senior citizens, the Postal Service explained that customers are not required to travel to another Post Office to receive mail or obtain retail services. These services will be provided by the carrier to a roadside mailbox located close to customers' residences. In hardship cases, delivery can be made to the home of a customer. Changes in the type of delivery are considered where service by existing methods would impose an extreme physical hardship for an individual customer. Any request for a change in delivery method must be submitted in writing to the administrative postmaster. FD, at 3; Item No. 23, Questionnaire Analysis, at 2; Proposal, at 3. The Postal Service explained that carrier service is beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes or Centralized Box Units. Customers do not have to make a special trip to the Post Office for service. Special provisions are made for hardship cases or special customer needs. To request an exception for hardship delivery, customers may contact the administrative postmaster for more information. FD at 4; Item No. 23,

Questionnaire Analysis, at 3; Item No. 25, Community Meeting Analysis, at 1; Proposal, at 4.

With respect to the concerns of Petitioner West, Petitioner Smith, and Ms. Stillfield concerning parking at the Yerington Post Office, the Postal Service explained that customers are not required to travel to another Post Office to receive mail or obtain retail services. These services will be provided by the carrier to a roadside mailbox located close to customers' residences. Most retail services provided at the Post Office are available from the carrier and do not require meeting the carrier at the mailbox. Stamps by Mail and Money Order Application forms are available for customer convenience. The Postal Service explained that the Postal Service has developed a number of convenient options that can save customers a trip to the Post Office. For instance, customers can buy stamps online at www.usps.com, by phone at 1-800-STAMPS24 or by mail. FD, at 3-5; Item No. 23, Questionnaire Analysis, at 2-4; Item No. 25, Community Meeting Analysis; Proposal, at 2-4.

With respect to Petitioner Smith's and Ms. Longero's concerns about whether the Yerington Post Office, can provide adequate service, the Postal Service explained that the Yerington Post Office serves a much larger community and has a heavier retail window workload. This concern has been brought to the attention of the administrative postmaster, and window operations will be monitored to ensure that customers do not have an unreasonable wait to obtain services. Also, the carrier can provide retail services, alleviating the need for customers to go to the Post Office for service. FD, at 3; Item No. 23,

Questionnaire Analysis, at 2; Item No. 25, Community Meeting Analysis; Proposal, at 3. In addition, the Postal Service explained that courteous and helpful service will be provided by personnel at the Yerington Post Office and from the carrier. Special assistance will be provided as needed. FD, at 3; Item No. 23, Questionnaire Analysis, at 4; Proposal, at 3.

The Postal Service further considered the Petitioners' concerns regarding the effect of its decision to close the South Valley Station upon the South Valley Station community. The Postal Service explained that the proposed alternate delivery service will meet the mailing and service needs of the community in a more cost effective manner. FD, at 3; Item No. 23, Questionnaire Analysis, at 3; Proposal, at 3. With respect to concerns about growth in the community, the Postal Service explained that the growth of a community does not depend on the location of a Post Office. Based on information obtained by the Postal Service, it was determined that there has been minimal growth in the area in recent years. Carrier service will be able to accommodate future growth. FD, at 5; Item No. 16, Community Survey Sheet; Item No. 23, Customer Questionnaire Analysis, at 4; Proposal, at 5. In addition, the Postal Service also explained that nonpostal services provided at the South Valley station will be available at the Yerington Post Office. Government forms will be available at the Yerington Post Office or by contacting local government agencies. FD, at 5; Proposal, at 5.

Postal officials also considered the economic savings that would result from the closing of the South Valley Station. The FD includes a breakdown of the costs that serve as a basis for the Postal Service's estimate of economic

savings. FD at 5-6. The Postal Service estimates that continuing to provide delivery and retail services under the administrative responsibility of the Yerington Post Office, located one mile away, would cost the Postal Service substantially less than maintaining the South Valley Station and would still provide regular and effective service. The Postal Service explained that carrier service can be and, in this case, is more cost-effective than maintaining a postal facility and a postmaster position. The Postal Service estimates that the annual savings associated with discontinuing the South Valley Station are \$210,236.00. FD at 5-7; Item No. 29, Proposal Checklist, at 2; Proposal, at 7. With respect to Petitioner Smith's concerns about the annual lease cost calculation, the administrative record states the lease does not contain a cancellation clause. Item No. 15, Post Office Survey Sheet. Even if the lease savings were excluded for a certain period of time, each year annual lease savings were excluded, the estimated annual savings associated with discontinuing the South Valley Station would still be over \$100,000 per year. Moreover, while this issue was not raised in the administrative record, the lease does allow the Postal Service to sublease the property after the discontinuance of the South Valley Station.

The Postal Service also considered the effect on employees. The Final Determination states that "Any employee assigned to this facility [the South Valley Station] will be relocated with the Postal Service." FD, at 5; Proposal, at 7.

As reflected throughout the FD, the Postal Service carefully considered the effect of closing the South Valley Station on the provision of postal services and on the South Valley Station community, as well as the economic savings that

would result, and the effect on employees, and other factors. After taking all factors into consideration, the Postal Service decided that the advantages outweigh the disadvantages. The Postal Service determined that providing delivery and retail services under the administrative responsibility of the Yerington Post Office, located within one mile away, is the most cost-effective solution for providing regular and effective service to the South Valley Station. FD.

For the reasons set forth above, the appeal should be dismissed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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February 21, 2012